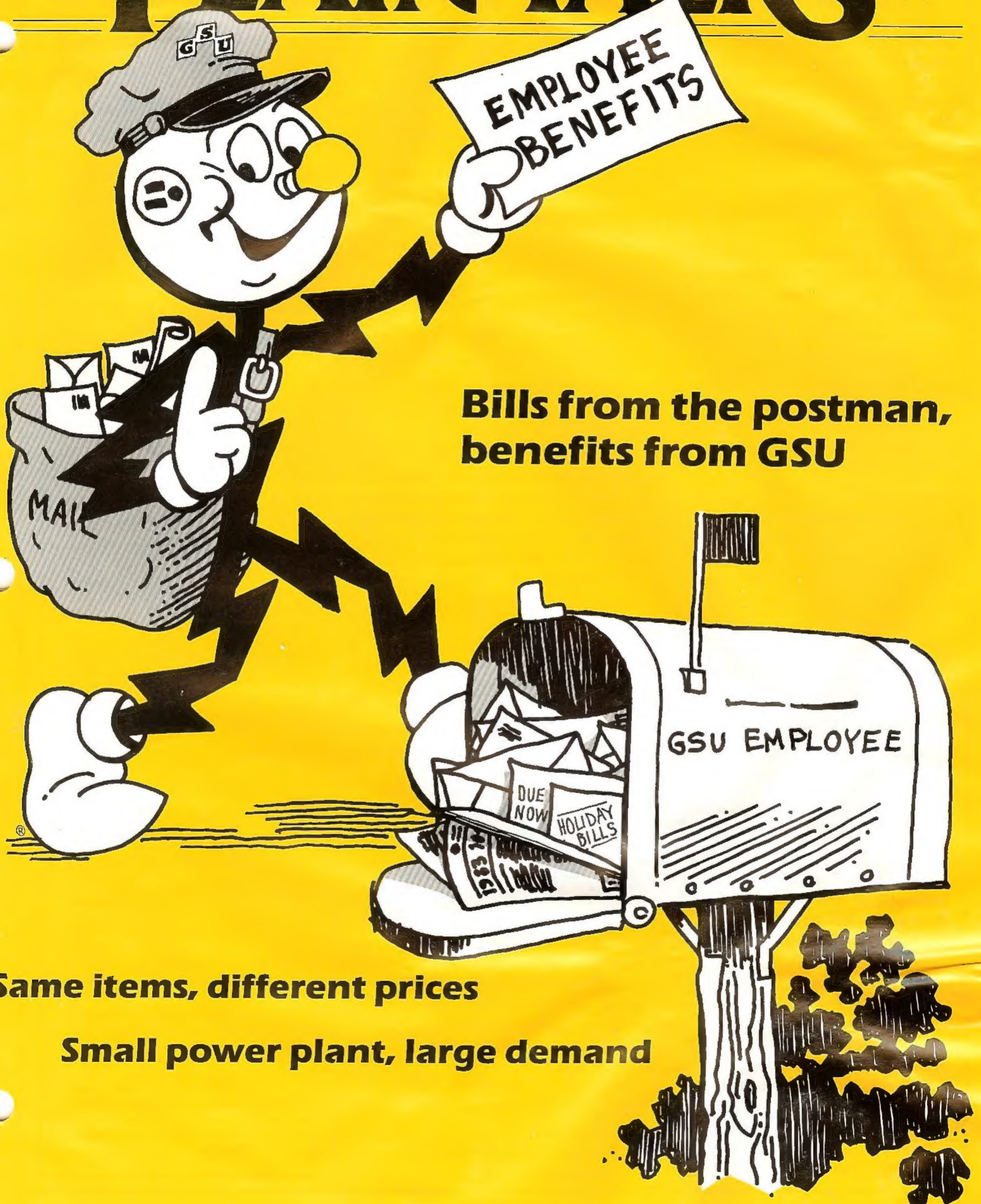


PLAIN TALKS

February
1984



**Bills from the postman,
benefits from GSU**

Same items, different prices

Small power plant, large demand

MAIL BOX

THE COVER

Reddy Kilowatt's cheerful demeanor poses a sharp contrast to the news in the mailbox.

This time of year traditionally brings tax notices, holiday bills and other not-so-good news. At Gulf States, however, the company mail brings from one to three pieces of good-news mail to employees.

A story beginning on page 5 explains how to read those mailings — the annual Employee Benefits Statement and the yearly reports for Thrift Plan and ESOP participants.

Gulf States Utilities
Orange, Texas

Dear Sirs,

We just wanted to tell you what a fine man our meter reader is. He is very polite and very well-mannered — few young men seem to care to be pleasant.

We are prone to complain while never giving a good word on one that is worthy of a compliment. This young man's name is Kyle Lewis.

Mr. & Mrs. Wendell Snelson

Ms. Helen Kennedy
Lafayette, La.

Dear Helen,

There are never enough words to express exactly the feelings of appreciation we have for you and your staff. We could never do our job without wonderful people like you.

The ones whose lives your "Gift of Life" donations have enhanced or saved can never personally thank you. So I'm going to thank you for them.

The greatest gift a person can ever give is the "Gift of Life." The community, our staff and myself are indebted to you — so, if we can ever be of assistance to

you, please don't hesitate to phone us.

It is my personal prayer that no one at Gulf States will ever have to use our services. However, should this ever occur, we are here to help you.

Again, I say a deep thanks.
I remain . . .

Very respectfully yours,
Lawana Martin
Donor Resources
United Blood Services

Aubrey Sprawls
VP/Marketing and
Consumer Services
Beaumont, Texas

On Nov. 22, 1983, my office, in conjunction with Gulf States Utilities Company, held a seminar for small and minority businesses in Beaumont, Texas.

The mention of a seminar may appear to be unimportant. However, this event was a PRIME example of the effectiveness of COOPERATIVE ventures between public and private organizations.

"It was a tremendous seminar," was the comment of a participant. The seminar's success was because of the assistance I obtained from Ms. Sheri Touchstone. Sheri's unrelenting assistance prior to the seminar, including her attendance at the seminar, enabled a very "smooth-running" event.

It is a rare occasion when I find it necessary to commend persons for outstanding coordination skills. This is such an occasion.

Professionals such as Ms. Touchstone lend great credibility to your organization, and it will be a great pleasure to work with her again in the future.
Sincerely,

Doyline E. Williams
Business Development
Consultant
Texas Economic Development
Commission

PLAIN TALKS

Volume 63
February 1984

Number 2

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Robbie Zeringue

Employees who change residences or offices should fill out company mailing-address-change forms (GSU0012-00-81) and return them to the mailroom in the Edison Plaza. GSU publications, departmental mailings and other company information are not automatically forwarded; addresses must be corrected when employees move.

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GSUers assume officers' roles

Three Beaumont Gulf States employees have been elected officers of the newly-formed southeast Texas chapter of the Association of Information Systems Professionals (AISP).

Sandra Conn, supervisor-office systems, was named president; Carolyn Theobald, PBX and stenographic supervisor, became director of proficiency; and Mary Bowser, section head-stenographic, was elected treasurer.

According to Conn, 28 professionals from throughout southeast Texas and southwest Louisiana belong to the organization, which was chartered Dec. 8.

Members represent industrial companies, vendors of office/data equipment systems, service organizations and the field of education. The aim of AISP is to develop and disseminate ideas, systems methods and techniques related to the processing of information in the office environment. Further, says Conn, the organization can "enhance the recognition and professional status of those who design, implement, manage and use information systems."

Conn says the local chapter is very interested in attracting new members. She encourages GSU employees to tell friends or family members in the information systems field about the chapter.



Sonny Hebert (left) accepts the award from Robert E. Dear, executive director of United Community Services.

Division cited for generosity

The Port Arthur Division received a special award from United Community Services for its contribution to the United Way campaign, reports Barbara Broussard, *Plain Talks* correspondent.

According to Broussard, "At least 50 percent of our employees pledged a generous amount. We had very effective leadership from Sonny Hebert, a service-man-1st class, and his wife, Ruth."

Broussard says the couple has a young granddaughter who suffers from a rare bone disease. Partly because of assistance provided by United Community Services, the youngster's condition is improving.

Division exceeds United Way goal

Baton Rouge Division employees pledged about 9 percent more to the GSU United Way campaign than the goal for the year, reports Billie R. Tadlock, chairman for their 1984 campaign. Tadlock is a repairman-1st class at Willow Glen.

The year's goal was \$141,648.93, but employees pledged to contribute \$154,357.24 in 1984. Tadlock adds that 92.5 percent of the division employees participated, and 71.5 percent pledged "fair shares." Twelve employees pledged double fair shares.

Serving as co-chairmen were Conrad Starns, lineman-1st class, and Gerald Duplechin, repairman-1st class at Louisiana Station.



From left, Mary Bowser, Sandra Conn and Carolyn Theobald: AISP officers.

Randall offers winning idea

Darlene Randall's proposal to establish a health information

library for employees resulted in 4,000 extra safety points being awarded to the Beaumont senior engineering assistant. She was a winner in the Employee Suggestion Program.

Randall suggested that GSU collect books and other publications promoting health improvement. She also suggested contacting the American Heart Association, American Cancer Society and other health-oriented service organizations for additional information.



William L. Simpson (left), project scheduler, presents the award to Darlene Randall.



Benefits reports bring good news

by Susan Gilley

This time of year, the U.S. Postal Service traditionally delivers bad news by the bundle, including Christmas bills and tax notices.

There is one bright spot in the post-holiday gloom, however, as the company couriers deliver from one to three pieces of good-news mail to GSU employees.

This is the time of year when employees receive their individual employee benefits reports, which provide up-to-date facts and figures about the program of protection that GSU provides for employees and their families.

Participants in the Thrift Plan and ESOP also receive their annual statements for those savings plans. "It's especially satisfying to count the money in your nest egg when your checking account is probably near its lowest level," says Jommy Holder, employee benefits representative.

Holder urges employees to save all three statements, both to study their present benefits and to compare the growth.

Individual employee benefits report

The individual employee benefits report is divided into five general categories, each of which is designed to describe how benefits would affect an employee under certain circumstances.

Under the heading "Survivor Benefits," for example, the report tells what the life insurance plan will provide to a beneficiary if an employee dies before retirement. It also details what the retirement plan will pay a surviving spouse if the death occurs after a specific number of years of credited service. Since each statement is tailor-made for the individual employee, the numbers will differ from employee to

employee, depending upon the years of credited service, salary and other variables.

Reproduced elsewhere in this article is an example of the "Retirement Benefits" segment of an employee's individual statement.

Some employees may have noticed that portions of their statements dealing with Social Security benefits were marked "ID" for "insufficient data." That omission can be avoided by requesting the Social Security Administration to furnish a record of Social Security benefits to GSU. Usually, Payroll sends the request cards to employees each year.

"Employees who want to know even more about specific benefits at GSU can contact the Employee Benefits Section in Edison Plaza. Those extensions are: 733-2618, 733-2873, 733-2572.

EMPLOYEE'S BENEFITS STATEMENT

The following is an example of retirement benefits for an employee who has been with the company 28 years and is presently earning \$30,000.

RETIREMENT BENEFITS

On your normal retirement date, which will be 08-01-97, you will be eligible to receive an estimated income of \$1,129 a month from the Retirement Plan assuming no increases in your current earnings and continued participation. At normal retirement you may also be eligible to receive \$677 a month from Social Security. Your combined income will be \$1,806 a month. When your spouse is age 65, she or he will be eligible to receive a Social Security Benefit of at least \$338 a month, bringing your family total income to \$2,144 a month. The

Retirement Plan also has provisions for early retirement.

The approximate amount of savings you would have to accumulate to provide your normal retirement monthly income would be \$258,080.

When you retire, Gulf States will pay the entire cost of your Life Insurance. The amount of your coverage may be up to \$10,000, depending on your Retirement Plan income and Social Security benefit. Your Medical Plan coverage may also be continued.

Thrift Plan

Thrift Plan participants are taking advantage of a major GSU benefit — one in which the company pays 50 cents for every \$1 that an employee puts into the plan, up to 6 percent of base pay. Although an employee may set aside more than 6 percent in the plan, GSU does not match the remainder.

In addition to the immediate 50 percent return on investment, participants also earn interest and dividends paid on a variety of investment choices. Trustee for the plan is First Security Bank of Beaumont.

The 401(k) alternative to the Thrift Plan was unveiled in 1983, although the option did not go into effect until Jan. 1, 1984.

About three-fourths of the employee Thrift Plan statement details account activity for the past year, explains Holder.

Starting with the year-end balance for 1982, the statement lists all paycheck deductions, company contributions and other activity on a monthly basis. Interest and dividends also are reported when they are paid into an account.

Under certain limits varying with the length of service, Thrift Plan participants may make withdrawals. The Employee Handbook describes those limitations, and Employee Benefits can explain the procedure even more thoroughly, adds Holder.

The example at the bottom of the page summarizes the total account through Dec. 31, 1983. In the example given, an employee who enrolled in the plan in 1957 accumulated a \$58,000 nest egg in

a 26-year period. The employee's contribution, however, was about \$17,000.

Since participants are immediately 100 percent vested in the plan, the full value of the account is paid to those who leave the company, retire or become disabled. Similarly, when an employee dies, the account is paid to the beneficiary.

According to Holder, an account can generally be liquidated within 30 days.

EMPLOYEE'S THRIFT PLAN

SUMMARY OF YOUR ACCOUNT

TOTAL EMPLOYEE CONTRIBUTIONS	\$17,082.00	DATE OF MEMBERSHIP	08/01/57
TOTAL EMPLOYEE WITHDRAWALS	0	LAST SALARY CHANGE	06/01/83
TOTAL COMPANY CONTRIBUTIONS	\$ 8,541.00	LAST INVESTMENT CHANGE	07/01/73
TOTAL DIVIDENDS / INTEREST	\$32,460.01	LAST DEPOSIT CHANGE	09/01/71
GAIN / LOSS ON SALE OF STOCK	0	DATE SUSPENDED	
TOTAL ACCOUNT BALANCE	\$58,083.01	DATE REINSTATED	

ESOP

The legislation that introduced stock ownership plans expired Dec. 31, 1982, but GSU will be eligible for the program for approximately two more years to make up for investment tax credits which have not yet been used.

According to Holder, the Employee Stock Ownership Plan (ESOP) was made possible by two federal laws — the Tax Reduction Act of 1975 and the Tax Reform Act of 1976 — which were designed to encourage employee ownership of company stock and to spur capital expenditures by business.

To the individual employee, ESOP means that, for eligible plan years, qualified employees are allocated a certain amount of stock outright, based on the ratio of employee salary to the pay of all plan participants. That is ESOP 1, the non-contributory portion. Under ESOP 2, employees agree to invest a specific dollar amount and their purchase is matched dollar-for-dollar by the company.

Since most plan participants opted to pay their share for the 1982 ESOP 2 through payroll deductions commencing in January 1984, only those who

paid a lump sum will find their 1982 participation listed in the current ESOP statement. Nevertheless, ESOP 1 will be shown for all participants.

ESOP contributions are turned over to Louisiana National Bank, the plan trustee. After a seven-year holding period, participants may exercise their option to withdraw the stock.

On the ESOP annual statement, the top portion lists the number of shares of stock in an individual's account. The bottom portion of the form shows the dollar value of the account.

GULF STATES UTILITIES COMPANY

EMPLOYEE STOCK OWNERSHIP PLAN

(ESOP)

PARTICIPANT STATEMENT OF ACCOUNT

ESOP Account Status as of December 31, 1983

465-00-0000

Doe, Jane

EP-9

— SHARES OF GULF STATES UTILITIES COMPANY COMMON STOCK —

TAX YEAR	ESOP - 1 NON-CONTRIBUTORY		ESOP - 2 CONTRIBUTORY			
	EMPLOYER CONTRIBUTION	SHARES REC'D THRU DIVIDENDS	EMPLOYEE CONTRIBUTION	EMPLOYER CONTRIBUTION	SHARES REC'D THRU DIVIDENDS	TOTAL SHARES
76	27.11	27.07	0	0	0	54.18
77	49.89	40.79	22.25	20.88	34.32	168.13
78	59.92	38.26	45.97	41.56	53.04	238.75
80	105.73	28.90	77.53	81.91	38.32	332.39
82	88.12	0	0	0	0	88.12
TOTALS	330.77	135.02	145.75	144.35	125.68	881.57

EMPLOYER CONTRIBUTIONS TO DATE \$6,818.06

EMPLOYEE CONTRIBUTIONS TO DATE \$1,691.11

TOTAL DIVIDENDS EARNED TO DATE \$3,217.87

TOTAL CONTRIBUTIONS AND DIVIDENDS TO DATE \$11,727.04

Baton Rouge



Lafayette



Christmas Album

Vidor



Woodville-Silsbee-Kountze



Beaumont Service Center



Orange



Sabine Station



Beaumont



Cleveland



Lafayette



Vidor



Jennings



Baton Rouge



New Caney



Port Arthur



Beaumont



Baton Rouge



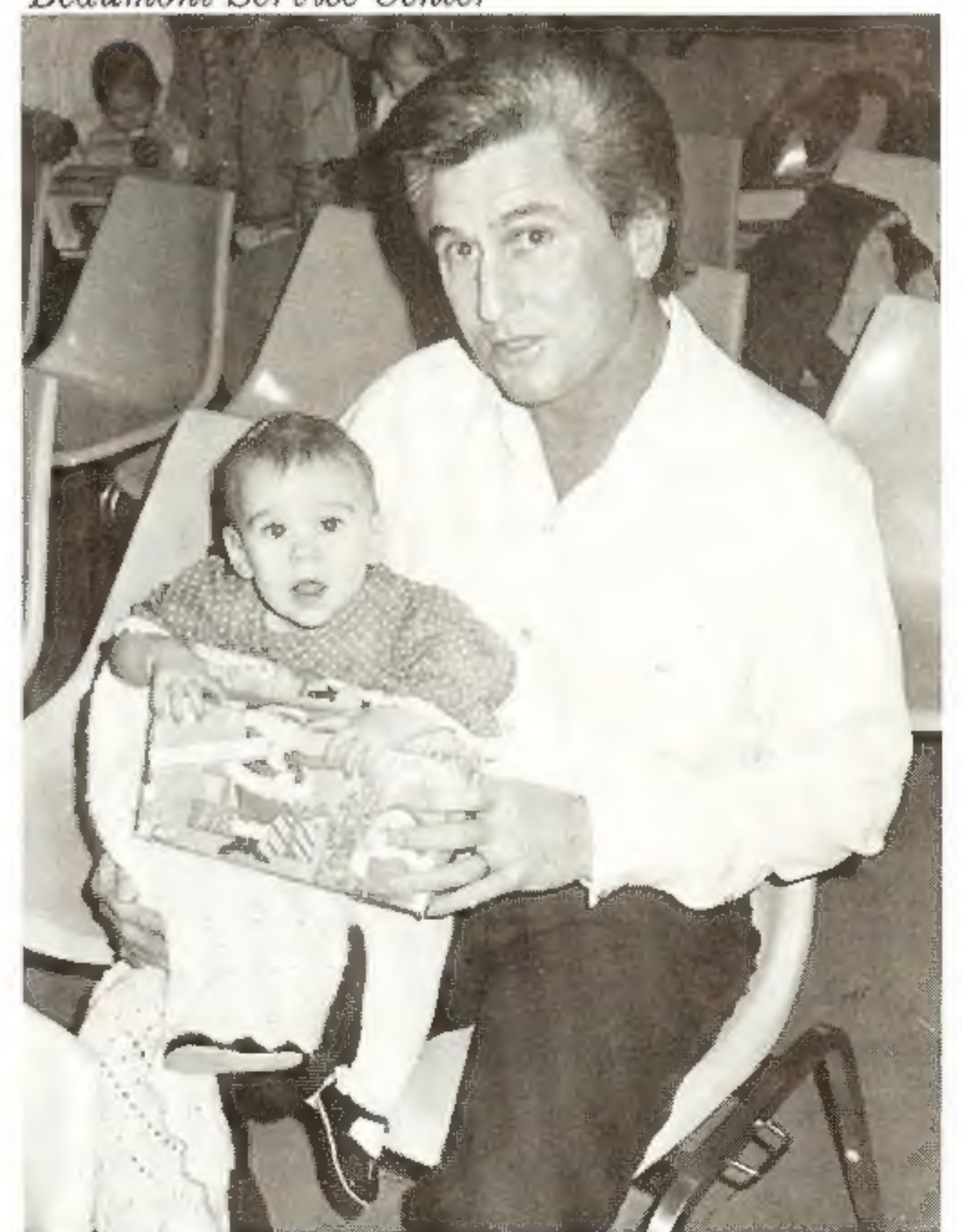
Cleveland



Jennings



Beaumont Service Center



Orange



Navasota



Woodville-Silsbee-Kountze



Sabine Station



Beaumont



New Caney



Port Arthur



Joel Jeffcote:

Superintendent's job broadens scope



Joel Jeffcote

Photo by Susan Mayrant

by Susan Gilley

Like many other young men and women, Joel Jeffcote was eager to strike out on his own, away from his parents' watchful, but caring, gaze. So, after two years of college at Lamar University, the Bridge City native signed up with the U.S. Air Force for a four-year hitch that ended with one year in Vietnam.

At the end of those four years, in 1970, Jeffcote recalls that he was suddenly motivated by "a strong desire to go back to school." Since he then had a wife and an infant son, Jeffcote

returned to his hometown, looking for a straight-day job that would enable him to continue his education at night.

In February 1970 he went to work as a mechanic's helper in the test department at Sabine Station. Four years later, he completed his bachelor's degree in accounting and transferred to General Accounting in downtown Beaumont. Before becoming the Huntsville district superintendent in 1981, Jeffcote also held positions in Construction Auditing and Western Division Accounting.

While Jeffcote's experience is by no means unique, it illustrates the characteristics of independence and adaptability that have helped him become an achiever.

Jeffcote says his previous jobs at Gulf States were rather structured, with well-defined tasks. "They were challenging, I liked them and I didn't have the stress from constant contact with the public." In each position, he says, he saw only a "small phase" of GSU. Jeffcote thrives on the broadened scope of his present position. "When I was in division accounting (first as accounting supervisor and then as accounting superintendent), if a customer had a problem with a bill, I would work with that person to see if I could help. Now I'm involved from the time a customer

applies for service, all the way through the engineering and construction processes to setting up the account. I'm also involved in the marketing and consumer services aspects of the company."

Western Division Vice President John Conley describes Jeffcote as "an excellent communicator and motivator of people."

While Conley views Jeffcote as "a very ambitious person who has set some high goals for himself," he also says he is "willing to put forth the extra effort needed to meet those goals."

Conley does not rely solely on his own perceptions of Jeffcote. "Joel is highly respected by community leaders. When I go to Huntsville, people always praise Joel for the way he's made himself an important part of the community," Conley explains.

But Jeffcote is not all work and no play. When he relaxes with his wife, Margaret, and their two children, Scott, 14, and Sara, 7, he most enjoys bass fishing expeditions. In the past, he coached Scott in several sports. Now it is Sara's turn; Jeffcote spent last summer as a tee-ball coach for the little girl.

The memory brings a smile. "It was the most fun I've ever had," he recalls.

Health care on wheels

Prevention may be the best medicine, but not everyone can afford to spend the time or money to undergo an annual physical examination.

With this in mind GSU brought the clinic to the "patients" last December when Lewis Creek Station was visited by a Health Examinetics mobile health testing unit. As a result, about 40 employees took advantage of the opportunity to participate in the company's health screening program. Each spent from five to 45 minutes in the clinic, depending upon the test or tests performed.

For eligible GSU employees, the testing is divided into two main categories — a voluntary complete battery or a required abbreviated version for employees in certain job categories. These employees can opt for the complete battery of tests if they wish. According to Ron Eimer, industrial hygiene coordinator, "the abbreviated testing is required to satisfy certain regulatory requirements and to maintain an occupational health program of high quality at GSU." For instance, certain tests are required for respirator wearers, insulators and their assigned

helpers, fire brigade members and for employees who work in high-noise areas. Those employees who choose the complete battery of tests automatically receive the required abbreviated tests. The only exception is an EKG stress test required for fire brigade members who are 40 years of age or older.

The company has used the concept of multi-phasic health testing at power plants since the program began. Eimer says Health Examinetics was selected because it offers sophisticated computerization of records and has an excellent quality control program. "We searched throughout the United States to find the best service available," says Eimer.

Health Examinetics uses an 18-wheeler truck and trailer outfit for transporting the medical equipment, which is capable of performing more than 50 health tests.

Health experts study the findings and prepare a computerized report for each employee, which is sent directly to GSU's corporate medical consultant, Dr. Herbert Hennington of Beaumont. Dr. Hennington reviews the reports and attaches his medical comments.

Later, each participant receives his or her test results and the comments in a confidential envelope during a group session with Dr. Hennington. At that time, employees may ask questions or schedule mini-conferences with the physician following the meeting.

"The program is a fine example of preventive medicine. It offers employees an opportunity to track their health status over the years," says Eimer.

"For those who find they don't have any problems," he continues, "the biggest benefit is the peace of mind of knowing they are healthy."



The driver (center) of the Health Examinetics traveling clinic shows the truck to Gene Russell (left) and Jim McGrew (right), occupational health and safety representatives.



Lewis Creek Superintendent Floyd Langlois has his ears checked by a Health Examinetics professional.



A Health Examinetics staff member demonstrates the test procedures to Russell.

Then and now . . .

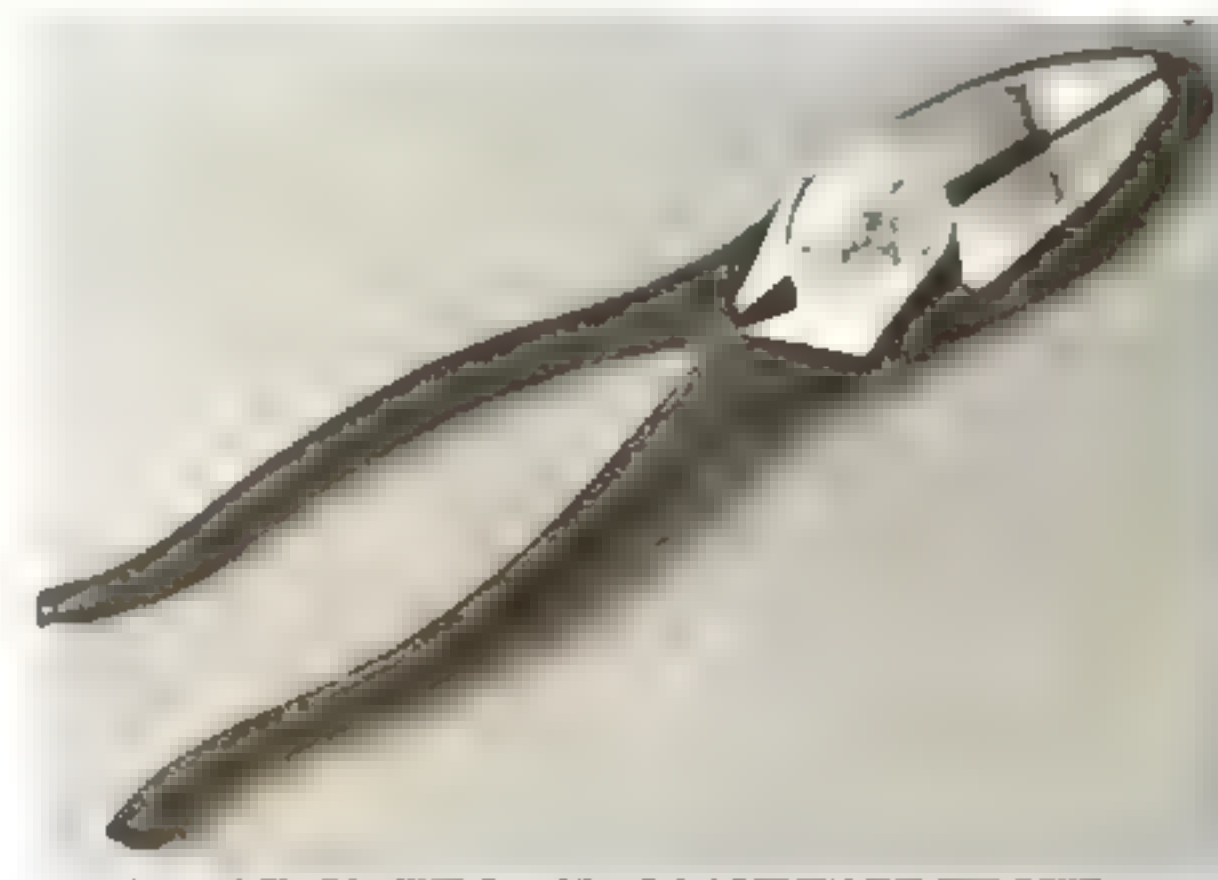
The rising cost of doing business

Anyone who handles a household budget is well aware that things cost more today than five years ago. Imagine trying to hold down expenses for a company the size of Gulf States. Pictured here are some items frequently used at many Gulf States locations. With the help of our Purchasing Department, we've given you their cost in 1978. Can you guess what they cost now?

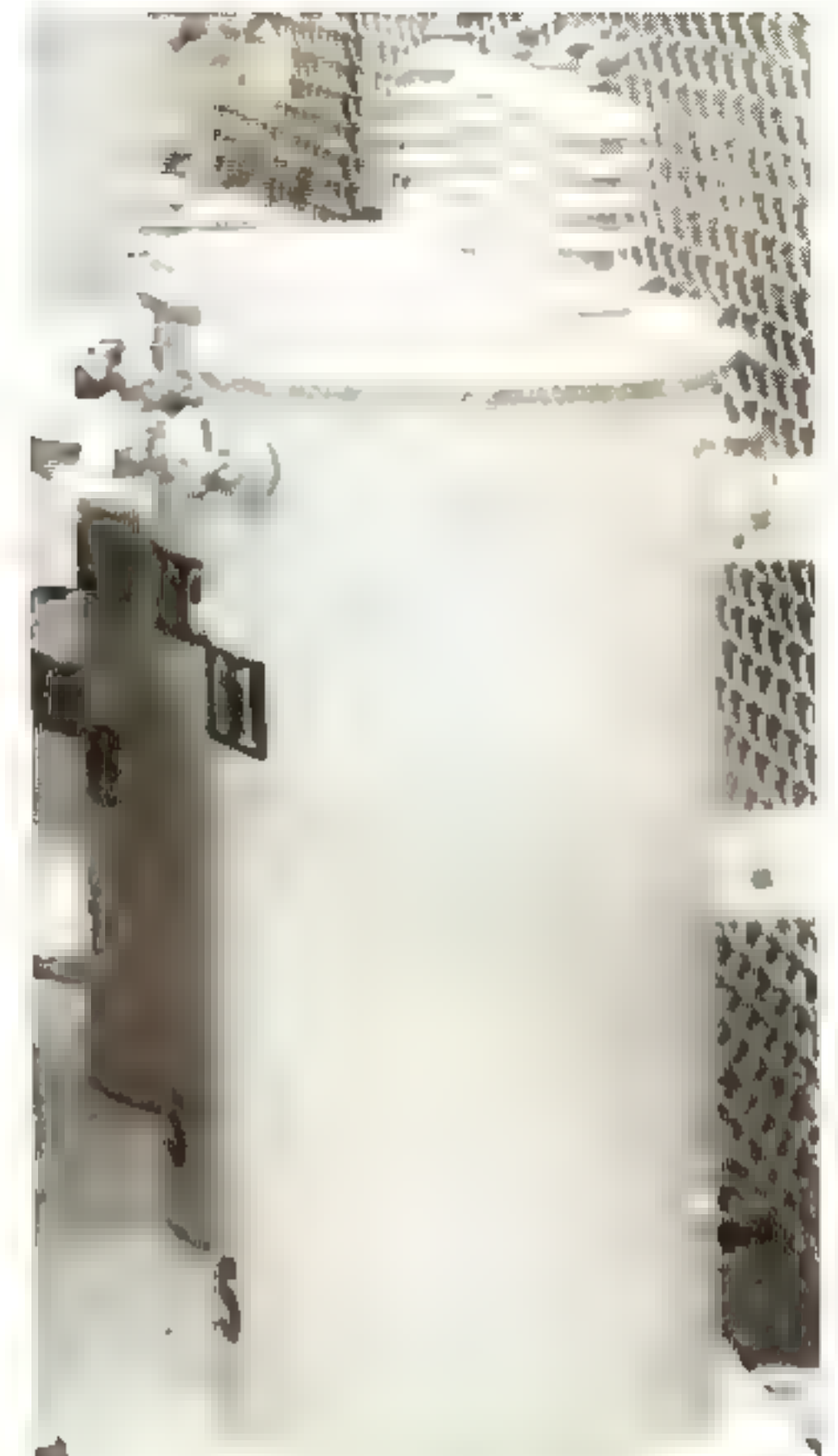
In 1978 . . .



• A hardhat cost \$4.30.



• The price of a pair of pliers was \$7.41.



• One 25KVA transformer cost \$275.



• GSU spent 26¢ per foot of service drop.



• A single typewriter ribbon cost \$1.58.
• A typewriter cost GSU \$895.



• The charge for a meter was \$21.65.



• A utility pole carried a price tag of \$109.34.



• One 3x3 foot safety blanket had a price tag of \$29.70.

Answers to the cost of these items in 1983 are on page 16.

Lewis Creek:

Small plant, large demand

by Mike Rodgers

When unit one of Lewis Creek Station went into commercial operation in December 1970, no one could imagine the rapid growth of customers and kilowatt-hour sales that would come in the next 10 years. "The plant has two units now," notes Lewis Creek Superintendent Floyd Langlois, "and the Western Division load is so high during the summer peak that it exceeds plant capacity. When the plant was first built, we could easily carry the load on one unit." Most of this growth is in residential customers and the numbers are continually on the rise. To handle the increase, Western Division now has a tie-in with the Southwestern Electric Power Company (SWEPCO).

Langlois calls Lewis Creek "one of the most efficient plants in the GSU system," and points out that the plant is on load control 99 percent of the time. Under load control, the system operator in Beaumont controls the generation output of the plant. Lewis Creek's two units are fired by natural gas and produce 520 megawatts. Unit one was taken off-line in November 1983 for an overhaul and was due back in service at the end of January 1984.

Many people consider Lewis Creek the most picturesque plant Gulf States owns. It lies in a large meadow near Willis, Texas, next to a thousand-acre lake the company built to supply cooling water. The lake presented Lewis Creek personnel with one of their biggest challenges — an infes-

tation of hydrilla plants from nearby Lake Conroe. Hydrilla is an underwater aquatic plant which spreads rapidly and dies during the late summer. It choked the intake systems which draw cooling water from the lake. Langlois says several methods are used to combat the weed, including a harvesting barge, chemicals and employees with pitchforks; none is completely satisfactory.

Then last August, the lake was stocked with 22,000 Chinese Carp, a fish with a voracious appetite for hydrilla. Langlois believes the fish will provide better control of the vegetation. The fish weighed three-quarters of a pound each last fall. Now some of them are up to five pounds after a hydrilla diet.

Langlois credits the appearance of Lewis Creek to those who built it, and the 44 employees who keep it running today. "They are interested in the plant, feel they're a part of it and run it like it belongs to them," he says.



Clarence Fowler (left), test technician-1st class, and Cliff Jones, master electrician, repair a breaker shorted out by ants.



Chinese Carp



Earnest Rucker (standing), repairman-1st class, and Horace Brazier, equipment operator, install a shield to protect the plant from December's bitter winter winds.

SERVICE AWARDS

30 years



Donald N. Corgey
Sys. Eng. Des.
Beaumont



Oscar Hills Jr.
Gas Department
Baton Rouge



John A. Kleinpeter
Gas Department
Baton Rouge



Charlie Martin Jr.
Electric T&D
Baton Rouge

20 years



Joe A. Hopkins
Computer App.
Beaumont



Joseph R. Mayfield
Gas Department
Baton Rouge

10 years



Louis E. Bordelon
Electric T&D
Baton Rouge



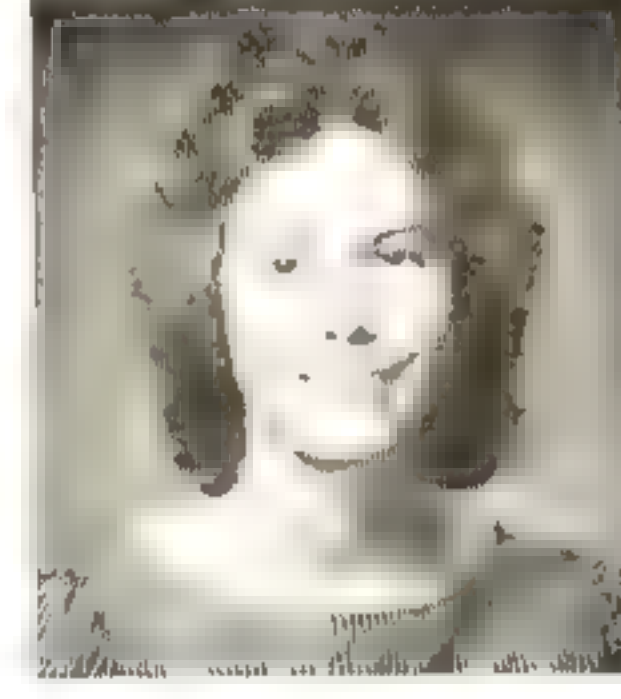
Edgar L. Burwick
Plant Production
Conroe



Michael W. Cormier
Gas Department
Baton Rouge



Charles Mosley
Elec. T&D
Port Arthur



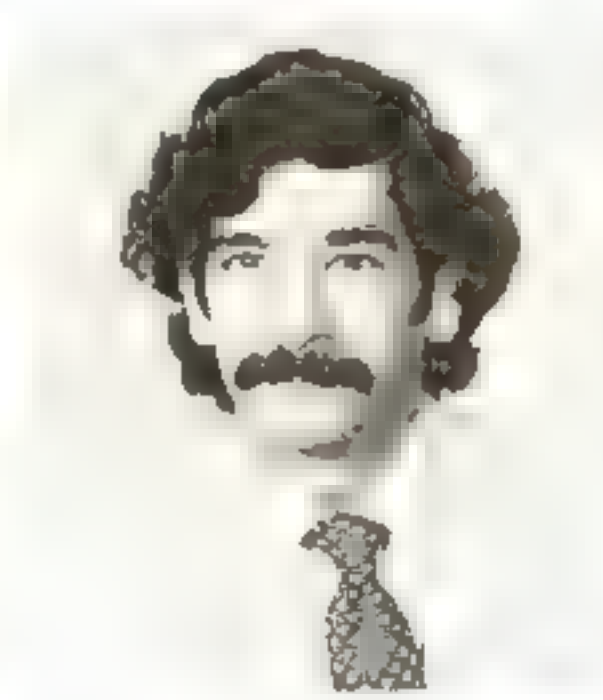
Deborah P. Null
Acctg. Services
Beaumont



Edward K. Osborne
Div. Acctg.
Vidor



Rodney L. Sparks
Electric T&D
Baton Rouge



Juan E. Villarreal
Plant Production
Lewis Creek



Willie Williams Jr.
Electric T&D
Baton Rouge



Karen K. Yates
Div. Mktg. &
Cons. Svcs.
Baton Rouge

1983 Prices

Here are the 1983 prices for the items pictured on page 14, along with the percentage of difference in cost.

- A hardhat costs \$5.70; this represents nearly a 33 percent increase.
- An IBM Selectric III typewriter costs \$1,195, almost 34 percent more than 1978.
- A utility pole costs GSU \$141.31; over 29 percent more.

- Those same pliers cost \$9.34; more than 26 percent more.
- Now, a 25KVA transformer costs \$390; this is almost a 42 percent increase.
- That same meter costs \$29.65; this is close to 37 percent more than 1978.
- One typewriter ribbon now costs \$3.20; this is more than 102 percent higher.
- The same size safety blanket costs \$42.90; over 44 percent more.

- One foot of service drop costs 40¢; nearly 54 percent more.

It's evident that even the most commonly used items at work cost more than they did in the past. Although prices continue to climb, each of us can do our part to help control GSU's expenses by using the proper item wisely.

INSIDE GSU



Jeffcote plays on winning team

Scott Jeffcote, the 14-year-old son of Joel Jeffcote, helped his Huntsville Junior High School teammates win the 9AAAA West Zone junior high football title. The team had an 8-1 season record.

The proud father is superintendent-Huntsville District.



Eickenhorst, Party-Gram messenger.

Sister throws surprise party

The hunting fatigues didn't begin to camouflage the visitor from Party-Gram when she gave Herbert Eickenhorst a "happy birthday" kiss.

Eickenhorst, who turned 40 on Nov. 2, was honored that day

after work at a surprise party thrown by a sister who lives in Navasota. The Conroe-based assistant general substation supervisor sported a straw hat adorned with a camouflage crown during the party.



Bank observes 64th birthday

James Banks, utility worker II, was honored with a special birthday cake when he turned 64 Oct. 14.

Knowing that Banks is an enthusiastic hunter, June Smith, a customer contact clerk in Credit and Collections, had her sister create a cake featuring "the duck James had been trying to capture" then. Both employees are in Baton Rouge Division Accounting.

Twins join Turner family

Patrick James and Kelly Louise expanded the James and Susan Turner family with their births on Aug. 31.

The twins are the only children for the couple. Born six weeks early, Patrick weighed 4 pounds, 12 ounces, and Kelly weighed 4 pounds, 3½ ounces.

James is an associate systems analyst in Computer Applications, Beaumont, and Susan used

to work in Computer Operations as a tab operator.



Patrick, Kelly Turner

Family welcomes second son

Derek Leon Wells joined the Leona and Harry Wells family in Baton Rouge on Sept. 21. The infant, who weighed 6 pounds, 8 ounces and measured 19 inches long at birth, is the second son for the family. His brother, Wesley, is 3 years old.

Leona is a clerk in Customer Accounting, Baton Rouge.



ON THE MOVE

A

Adams, Ronald D. Jr., Beaumont, to relayman-1st class, Electric T&D.

B

Bagley, Charles J., Lake Charles, to substation mechanic-3rd class, Electric T&D.

Bailey, Mark A., Baton Rouge, to substation mechanic-4th class, Electric T&D.

Bailleaux, Kim A., Beaumont, to utility worker II, Office Services.

Barideaux, Gloria A., Port Arthur, to repairman-3rd class, Plant Production.

Bennett, Arnold L., Beaumont, to utility worker II, Building Services.

Boyt, James P., Baton Rouge, to serviceman-1st class, Electric T&D.

Browner, David, Nelson Coal, to master repairman, Plant Production.

C

Carroll, Aubrey J., Baton Rouge, to lineman-1st class, Electric T&D.

Clark, Emmitt L., Nelson Coal, to repairman-1st class, Plant Production.

Colbert, Loyce F., Beaumont, to customer contact clerk, Division Accounting.

Costilla, Raymond Jr., Port Arthur, to relayman-1st class, Electric T&D.

Curtis, David W., Dayton, serviceman-3rd class, Electric T&D.

D

Daniels, Ricky E., Port Arthur, to lineman-4th class, Electric T&D.

Davidson, Melinda K., Beaumont, to utility worker II, Plant Production.

Dunn, Dennis C., Winnie, to apprentice-T&D Department, Electric T&D.

E

Evans, Thomas C., Beaumont, to lineman-3rd class, Electric T&D.

F

Farque, Rickie L., Nelson Station, to repairman-2nd class, Plant Production.

G

Gonzales, Ricky, Orange, to lineman-3rd class, Electric T&D.

Granger, Stephen E., Orange, to lineman-1st class, Electric T&D.

Griggs, Paul E., Willow Glen, to repairman-2nd class, Plant Production.

Guilbeau, David W., Port Arthur, to apprentice-T&D Department, Electric T&D.

H

Hardman, Kerry G., Port Arthur, to utility worker II, Plant Production.

Harrison, Oscar L., Baton Rouge, to substation mechanic-1st class, Electric T&D.

Hart, Curtis, Baton Rouge, to senior engineering assistant, Gas Department.

Hooks, Chester B. Jr., Huntsville, to lineman-1st class, Electric T&D.

J

Jarrells, Larry D., New Caney, to apprentice-T&D Department, Electric T&D.

Jennings, Mark O., Orange, to lineman-3rd class, Electric T&D.

Jones, Charles D., Conroe, to serviceman-1st class, Electric T&D.

Joubert, Christopher, Gonzales, to lineman-1st class, Electric T&D.

K

Kunkel, Anna M., Beaumont, to stenographer-senior, Accounting Services.

Kunkel, Chris A., Beaumont, to substation mechanic-3rd class, Electric T&D.

M

Martin, Ronald E., Port Arthur, to lineman-3rd class, Electric T&D.

Miller, Kristine A., Nelson Station, to utility worker II, Plant Production.

O

Oaks, Lewis M. III, Dayton, to lineman-4th class, Electric T&D.

P

Parms, Clarence A., Willow Glen, to test technician-2nd class, Plant Production.

Perez, Daniel Jr., Conroe, to communications serviceman-1st class, Electric T&D.

Powell, Gary D., Conroe, to lineman-3rd class, Electric T&D.

R

Ray, Thomas J., Beaumont, to lineman-4th class, Electric T&D.

Rhodus, Jerry L., Willow Glen, to repairman-2nd class, Plant Production.

S

Schneider, Dale L., Nelson Coal, to electrician-1st class, Plant Production.

Smith, Richard C., Conroe, to meterman-2nd class, Electric T&D.

Sonnier, Matthew L., Nelson Coal, to electrician-2nd class, Plant Production.

Stennis, Charles, L., Conroe, to electrician-2nd class, Plant Production.

Stephens, George C., Beaumont, to senior energy auditor, Division Marketing and Consumer Services.

T

Thomas, Brian E., Port Arthur, to repairman-3rd class, Plant Production.

Till, Lisa H., Conroe, to stenographer-senior, Division Accounting.

Trahan, Clinton P., Lake Charles, to lineman-1st class, Electric T&D.

Trigg, Michael M., River Bend Station, to repairman-1st class/nuclear, Plant Production.

W

Waldrep, Darrel E., Woodville, to apprentice-T&D Department, Electric T&D.

Walhood, Ben P. Jr., Port Arthur, to electrician-2nd class, Plant Production.

Weir, Donald L., Baton Rouge, to apprentice-T&D Department, Electric T&D.

Wells, Thomas G., Beaumont, to relayman-3rd class, Electric T&D.

Willey, Reba A., Orange, to senior clerk, Division Accounting.

Woods, Morris J., Lake Charles, to lineman-4th class, Electric T&D.

Z

Zirlott, George F. Jr., Port Arthur, to electrician-1st class, Plant Production.

Confronting the challenges

It sounds melodramatic, but I assure you it's true. Never before has Gulf States faced challenges of the magnitude confronting the company today. We are being buffeted from many directions and in many ways.

Our company is not alone, of course. Ever since the OPEC oil embargo a decade ago, the electric utility industry has experienced an unprecedented period of rapid change. Numerous economic, political, social and regulatory developments have transformed the way we do business.

Many of these problems were slower in affecting Gulf States than utilities in other regions of the nation. But there is little doubt that our time has come.

Consider some of the challenges before us:

- The Louisiana Public Service Commission orders us to reduce rates.
- A major rate case is filed in Texas and is complicated by two factors — the Louisiana rate rollback and the new Texas regulatory system which requires approval of projected fuel costs when a rate case is considered.
- Expiration of the Exxon natural gas contract, now less than a year away, will increase monthly bills and offer us a severe challenge in the field of customer relations.
- River Bend is still progressing well, but developments such as the Louisiana rate decision complicate plans for financing the project to completion.
- The Louisiana Energy and Power Authority (LEPA) is trying to attract some cities

which now purchase wholesale power from GSU — a trend which, if not arrested, could deprive us of valuable customers and load.

- Numerous industries within our service area are actively considering cogeneration projects. Under federal law, Gulf States would be required to purchase excess power from those projects at a time when we have ample reserves.

- Wheeling power for other electric systems looms as a potentially critical issue with far-reaching implications.

- The company's present financial situation reflects the need for additional revenues. The challenge is to find cost-efficient ways of marketing electricity while at the same time helping our customers hold down their bills.

Shortly after the Louisiana rate decision, all departments responded well to my call for an aggressive review of their 1984 budgets. But budget-cutting alone is not enough.

We need to change attitudes as well as budgets. For example, it is time to recognize that the company no longer exists in a non-competitive environment. We have a growing list of competitors — such as other electric utilities vying for new industry and LEPA trying to sell power to our wholesale customers.

When we had comparatively low electric rates, competition was not a factor. Today, however, there is no longer that big gap between our rates and those of other utilities. The times have finally caught up with us.

Higher rates increase the pressure we feel from our customers, who also are our friends and neighbors and relatives. It's not easy to explain some of these complex issues to the average customer, but we must try. Telling them and showing them that we care means a great deal.

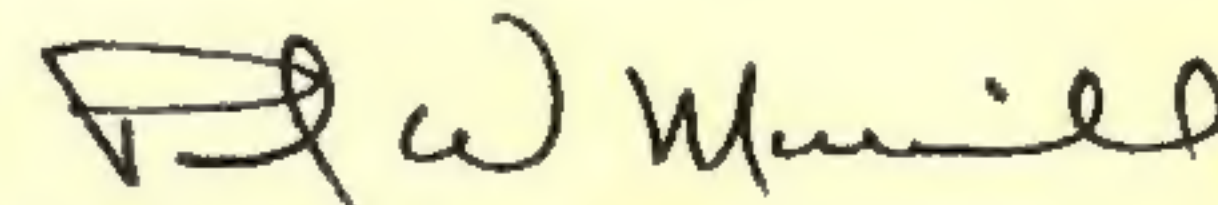
It would be easy to conclude from my comments that I believe we no longer are in control of our destiny. That is not so. I am convinced we can prevail.

It won't be easy and it won't be done by one person or even a few. These new problems demand new ideas, new solutions and new approaches.

We must rekindle the competitive spirit. We must put aside the notion that "marketing" is incompatible with conservation. We must realize that putting our corporate assets — including generating units — to maximum use is good for employees, stockholders and customers alike.

I encourage you to join in this effort. At the risk of sounding melodramatic again, our company is at a crossroads. It will take a great deal of hard work, creativity and sacrifice to direct us down the correct path.

I hope I can count on you to do your share.



Paul W. Murrill
Chairman of the Board and
Chief Executive Officer

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